Developments in IEEPA Refund Litigation

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Through multiple court filings, the U.S. Customs and Border Protection (CBP) and the U.S. Court of International Trade (CIT) have identified significant updates affecting importers seeking refunds of additional *ad valorem* duties imposed under the International Emergency Economic Powers Act (IEEPA). These developments signal meaningful progress toward a structured refund process, while also highlighting critical compliance steps importers must take now to preserve potential recovery.

CBP Update: CAPE Refund Functionality Progress

CBP continues to develop a new refund-processing capability within the Automated Commercial Environment (ACE) collections framework, officially named the **Consolidated Administration and Processing of Entries (CAPE)**. This system is designed to automate and streamline the administration of IEEPA-related duty refunds.

As of March 19, 2026, CBP reported the following progress:

- **Claim portal**: 73% complete
- **Mass processing**: 45% complete
  - Ongoing development includes ACE validations and event history tracking
- **Review and liquidation/reliquidation**: 80% complete
- **Refund processing**: 63% complete

Once implemented, CAPE is expected to significantly improve efficiency, with CBP estimating a reduction of over *4 million labor hours* compared to manual processing. The system is intended to facilitate more timely and accurate refunds for importers.

CIT Update: Continued Stay and Guidance on Entry Status

On March 20, 2026, the CIT issued an order continuing its prior stay (initially imposed March 4, 2026) and provided further clarification regarding treatment of entries.

- **CBP is directed to reliquidate**:
  - Unliquidated entries; and
  - Entries liquidated but not yet final (i.e., within 90 days of liquidation)

- **For entries approaching or within the 180-day protest window**:
  - The CIT emphasized that importers "should be aware" of available protest remedies (under 19 U.S.C. § 1514(a))
- **Scope Expansion:**
  - The court amended its prior orders to encompass **all IEEPA** duties imposed, including those on imports from Brazil and India

Notably, the CIT **did not** resolve whether refunds will be available for entries that are already liquidated and beyond the 180-day protest deadline, where a protest was not filed.

It is important to note that the implication before this order indicated that liquidation dates were no longer relevant, however the court's specific reference to 19 U.S.C. § 1514(a) seems to signal that failure to file a protest COULD result in forfeiting your claim.

Therefore, get documents early, and file the protest if you are within the 180-day window to avoid uncertainty. Ultimately, it is a "belt and suspenders" remedy that is worth the extra time.

Key Takeaways for Importers

Categorize Entries Immediately
The availability of refunds may depend on the liquidation status of entries. Importers should promptly identify and classify entries into the following categories:

- Unliquidated entries
- Entries liquidated within the 180-day protest period
- Entries liquidated beyond 180 days:
  - With a filed protest
  - Without a properly filed protest

Current law generally provides:

- CBP may reliquidate within 90 days of liquidation
- Importers may file protests within 180 days
- After 180 days, liquidation is typically considered "final and conclusive"

Accordingly, entries beyond the protest period may face significant barriers to recovery.

Prepare for CAPE by Confirming Electronic Refund Capabilities on the ACE Portal
CBP's Interim Final Rule on Electronic Refunds (effective February 6, 2026) requires that all refunds be issued electronically.

Despite approximately 330,000+ importers having paid IEEPA duties or deposits, only about 21,400 entities had completed electronic refund setup as of early March. CBP has already been unable to process 7,700 refunds for nearly 2,900 importers due to incomplete or improper setup.

Important to Note
Refund claims will be rejected if the importer has not enabled electronic refund capability in ACE. Importers should immediately confirm:

- ACE portal access
- Banking and payment configurations
- Coordination with customs brokers, where applicable

Access the Electronic Refund Enrollment in CBP's ACE Portal here.

Looking Ahead

CBP’s CAPE system represents a major step toward modernizing the refund process for IEEPA duties, but key legal and procedural uncertainties remain, particularly regarding entries that may already be final under U.S. customs law.

In the near term, importers should prioritize entry review and classification, preservation of protest rights where applicable, and completion of ACE electronic refund setup.